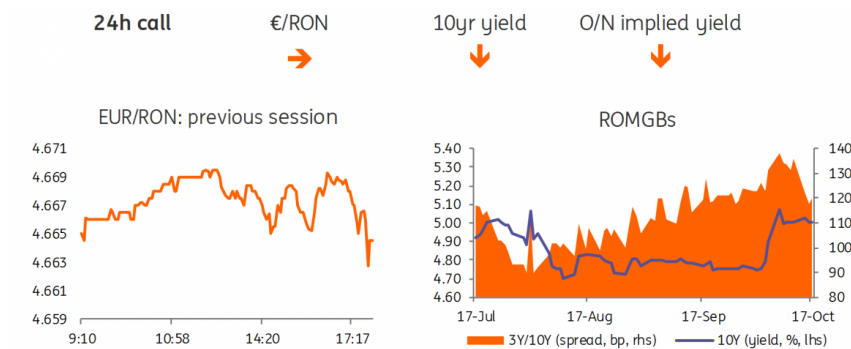


BriefING Romania

Range trading for EUR/RON



Source: Reuters

➔ EUR/RON

Range trading again for the EUR/RON as the 4.6600-4.6700 seems to be the equilibrium zone for the pair these days. For now, the upside potential looks dependant on the National Bank of Romania while the downside is likely limited to the 4.6500 area and reliant on the external context. Hence, stability could be the norm for the Romanian leu in the coming period.

⬇️ Government bonds

Quiet day in ROMGBs as the market still seems to be looking for a trend after the surprisingly successful February 2029 auction on Monday which ended the negative bias in the local currency

bond market. With only short- to medium-term auctions left this month we could witness some interest for the longer term ROMGBs in the secondary market, in particular towards the month end on inflows into private pension funds.

Money Market

Quite a bit of steepening taking place these days in the money market, as the rates covering the current reserve period inched lower towards 2.50% while the 1M-1Y curve is now trading above the Lombard rate, in the 3.50-4.00% area. Liquidity looks ample these days but things could turn around after the monthly payments to the state budget. And they usually do.

EUR/RON forecasts and forwards

	4Q18	1Q19	2Q19	3Q19	4Q19
ING forecast	4.70	4.67	4.65	4.70	4.75
Forward rate	4.71	4.76	4.81	4.86	4.92

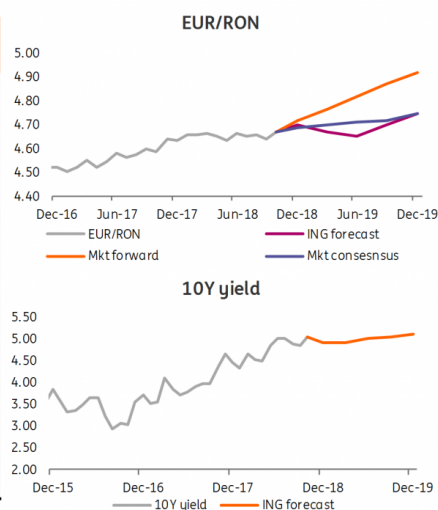
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.667	0.2	0.1	0.4
EUR/PLN	4.2879	-0.2	-0.4	-0.2
EUR/HUF	322.05	-0.3	-0.7	-0.9
EUR/CZK	25.824	0.0	0.1	1.5
RO 5Y CDS*	97.63	-0.5	0.1	5.2
ROBOR O/N*	2.59	-14.0	-13.0	45.0
ROBOR 3M*	3.17	-1.0	4.0	8.0
DAX	11776.6	14	-14	-2.3
S&P 500	2809.92	2.2	-19	-2.2
DE 10Y*	0.482	-1.7	-5.7	2.4
US 10Y*	3.165	-0.7	-4.7	16.1
Gold (US\$)**	1223.01	-0.2	2.8	19
Brent (US\$)**	8153	0.8	-4.1	5.1

*change in basis points, **US\$ (data as at 05:15 GMT)

Source: Reuters, Bloomberg, ING



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose

possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.